

TRANSPORT FOR LONDON

AUDIT COMMITTEE

SUBJECT: AUDIT COMMISSION UPDATE

DATE: 15 JUNE 2010

1 BACKGROUND

- 1.1 In 2009, TfL was subject to the Organisational Assessment element of the Audit Commission's Comprehensive Area Assessment (CAA). This involved the completion of two scored exercises, the Use of Resources self-assessment and the Managing Performance process. Together, these formed the basis of the Commission's overall Organisational Assessment of TfL.
- 1.2 The Use of Resources self-assessment was completed by TfL and assessed by KPMG, the Commission's appointed auditor.
- 1.3 The Managing Performance assessment was directly administered by the Commission itself. This involved a series of interviews with TfL managers in addition to a brief report.
- 1.4 In January 2010, TfL commenced work on the 2009/10 Use of Resources self-assessment.

2 AUDIT COMMISSION UPDATE

- 2.1 Following cuts to the Audit Commission's budget as part of the £6bn of savings recently announced across the public sector, the CAA process has been abolished, and accordingly the Audit Commission will no longer be conducting Organisational Assessments.
- 2.2 All work on the area and organisational assessments will cease with immediate effect. This means that no further work will be undertaken by the Audit Commission on the Managing Performance or the Use of Resources exercises. It has also been announced that the Oneplace website, where organisational assessments were posted last year, will no longer be updated.
- 2.3 The Commission is in discussion with the government, the Local Government Association and other representative bodies about the future approach to inspection.

2.4 KPMG has almost concluded its work in respect of the Use of Resources, which will support the Value for Money conclusion in the Annual Accounts.

2.5 It is proposed to ask KPMG to report on its results and recommendations arising from its work on the Use of Resources, but this will solely be for the benefit of TfL. The Commission's representative, Ken Davis, does not propose to attend any future meetings of the Audit Committee on the subject of the CAA.

3 RECOMMENDATION

3.1 The Audit Committee is asked to NOTE this paper.

4 CONTACT

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